RICHARD RUSSELL'S **DOW THEORY LETTERS, INC.**

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May 25, 1977 **LETTER 698**

May 13, DJIA 928.34; PTI 849; A-D Ratio −19.46
May 20, DJIA 930.46; PTI 853; A-D Ratio −19.15

THE AVERAGES: This market may not give us everything we want, but it certainly has been providing drama. On May 18 the D-J Transportation Average closed (see chart page 1) at a new high for this bull market. On the same day (May 18) the D-J Utility Average pushed to a new high for the bull market, edging just above their January 25 peak of 111.87. Utilities have tended to be a lead Average ever since the 1960's; for that reason the new Utility high gave added confidence to the bulls. The Utilities are also interest-sensitive. Therefore the new Utility high also hinted that the money situation is not nearly as precarious as many would have us believe.

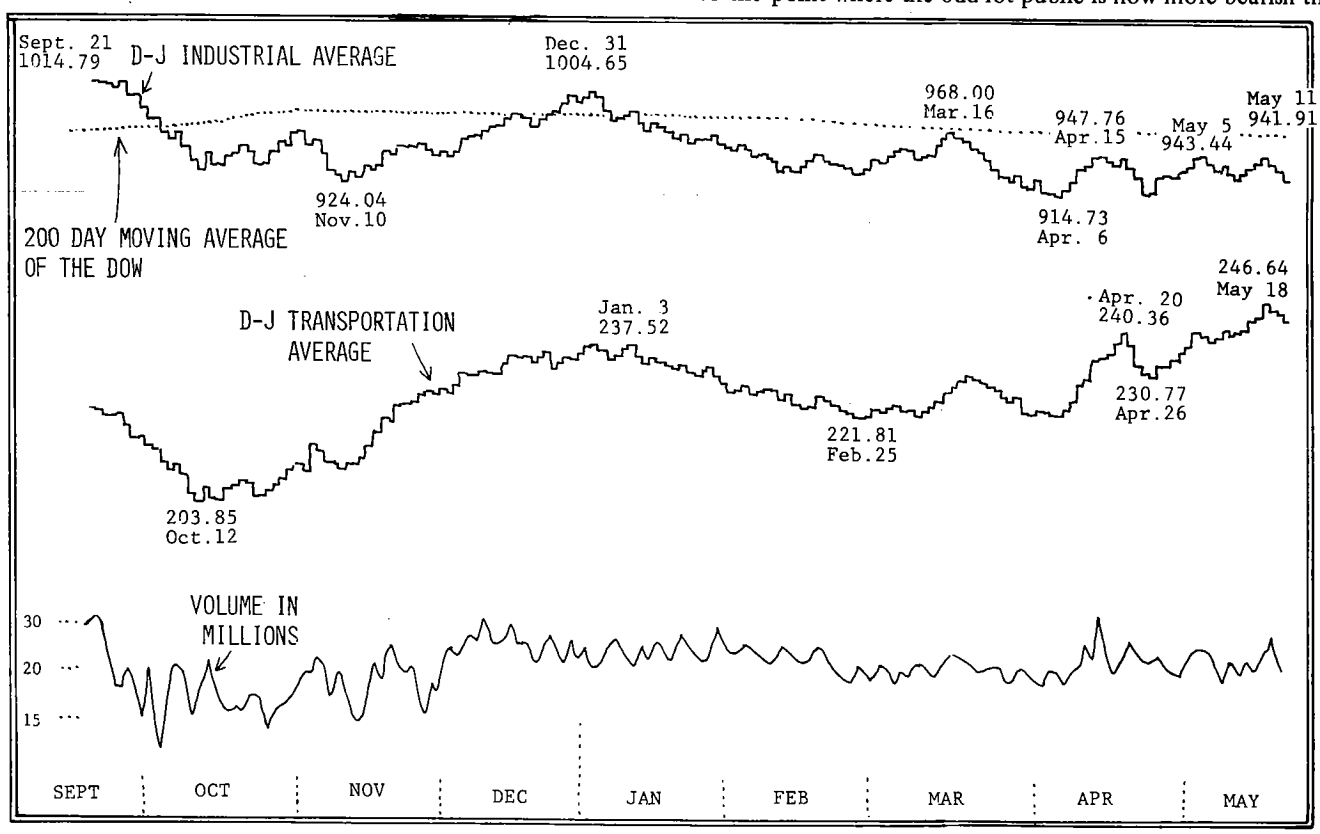
With it all, Dow Theorists are still *not* ready to celebrate. The reason is obvious. Since late-September the Transportation Average has recorded three definite and well-defined new bull market highs. Each of those highs was **unconfirmed** by the Industrial Average. Not only were they unconfirmed but each new Transport peak found Industrials at a **successively lower level.** Thus the Transport peak of 237.52 (Jan. 3) saw Industrials at 1004.65, the Transport peak of 240.36 (April 20) found Industrials at 947.76, and the most recent Transport high of 246.64 (May 18) saw Industrials at 941.91.

According to Dow Theory, the movements of a single Average, unconfirmed by the other, is never to be accepted for predictive purposes. Moreover, a penetration by one Average through a preceding point, when unconfirmed by the other Average, is more likely than not to be deceptive.

On May 19 the market (following the latest non-confirmation) turned down with Industrials ending the day off more than 5 points. The next day (Friday, May 20) saw the Averages fall further, this time with Industrials down 6 points. Again, it seemed a case of the market exhausting itself on the rally with Industrials unable to hurdle even a minor preceding peak. And on the decline that followed it seemed again a case of Industrials sinking while Transports tend to hold. I will go into this further in the "Late Notes" section at the end of the Letter.

I will repeat that it has been my policy ever since January 27, 1975, when the Averages gave a primary bull signal, to give the bull market every benefit of the doubt. Thus, I have argued that despite divergences, despite non-confirmations, despite natural disasters such as droughts and frosts, the odds favor the bull market's *ultimately* expressing itself in the form of higher prices. The question is, what **form** will the bull market take and how will the higher prices come about?

I continue to believe that a true, *sold-out base is needed* before this market can produce a major advance of real, profit-making status. I say this with awareness that the market can "do anything" and that to argue otherwise is an exercise in arrogance. Last week the NYSE announced that the total short interest had jumped 2 million to a record 29 million shares sold short. That's one hell of a lot of shorts playing against the primary trend. I also note that odd-lot selling (buy-sell ratio) has increased to the point where the odd-lot public is now more bearish than at



any time in 1977. Both of these items provide a good background for an explosive advance–but **when** could the advance come?

Should Industrials push first above 943.44, then above 947.76, I would guess that the advance would be on. BUT, the fact is that in eight months of trying, Industrials have *persistently and stubbornly refused* to better preceding peaks.

All of which suggests that we might have to sit through one more wave of selling, a wave that could take the Dow well under 900, before this market is sufficiently sold out to lay the base for a first class primary advance.

Conclusion: In recent Letters I have been emphasizing the fact that the Averages have been *diverging for the past eight months.* This is one of the most persistent and dramatic divergences in the history of Wall Street. Robert Rhea, the great Dow Theorist of the 1930's, was of the opinion that *persistent divergence was a sign of distribution*, and in the majority of cases this has proved to be true. Personally, I have felt that eight months of divergence (Transports rising and Industrials falling) constituted enough of a worry so that I was entitled to tell my subscribers to "be very careful." More than that, I advocated (and still do) scaling down common stock positions to the point where subscribers would "feel comfortable" in the event of a possible severe slide.

In the last Letter I noted that Industrials had traced out a remarkable series of five successively lower peaks since their bull market high of 1014.79 (recorded on September 21, 1976). The last three peaks were the 968.00 peak of March 16, the 947.76 peak of April 15 and the 943.44 high of May 16. For those who "want to be" bullish on the near-term trend, for those who want to trade into a potentially important upside movement, I suggest **at least waiting** for Industrials to do something they have refused to do for eight months–and that is bettering one or two preceding peaks. For unless Industrials are willing to better 943.44 and preferably 947.76, I would wait for the next go-round.

SECOND PHASE CONTINUES: As far as I am concerned, this primary bull market is still in its *second* (psychological) phase. For the sake of new subscribers, I will repeat that the first phase of a bull market is the one which sees stocks rise from the thoroughly depressed levels of the previous bear market lows, to a level somewhere around "true value." The first phase of this bull market began in late-1974 and ended in July, 1975.

A secondary correction began on July 14, 1975 and terminated amid much gloom in September, 1975. From September, the second phase of the primary bull market began. The second phase of a bull market is the one in which stocks advance as they discount the *gradual improvement* in the economy; in corporate earnings and in business in general. And it is true that corporate liquidity is now building, earnings and dividends are going up, Jimmy Carter has promised some kind of an end to "double taxation" of dividends, inventories are rising, and on the broad face of it, things are rosier now than they have been any time in the last few years.

In my opinion, we have been in the second phase of this bull market ever since the September, 1975 lows. Furthermore, this second phase has run true to form. As I have written so many times, the second phase is **the most deceptive phase** of a bull market. It is punctuated by many tricky declines, sudden rallies, and worrisome divergent movements. The second phase is also characterized by continuing skepticism on the part of the public, a public which is still thinking in terms of "losses sustained in the last bear market."

I would guess that we are now in the process of winding up the second phase of this bull market. How far the Dow will carry on the upside, how far the advance-decline and the various composite averages will carry, is anyone's guess. Whether the Dow will finally push dramatically above last year's bull market high of 1014.79 (or above the all-time high of 1051.70) I cannot say. But I do think (1) that we will see the final top for the second phase of the bull market this year, (2) that the second phase of this bull market will be followed by the characteristic severe second phase correction, a correction perhaps like that of 1957, and (3) that during this severe correction the shouts will go up of "major bear market," and such will not be the case. Rather the second phase correction will lay the base for the third or final phase of the bull market, a phase which should (at long last) see the wholesale *entrance of the public* into Wall Street. And it is here (during the third phase) that we should have the froth, speculation and spectacular high volume which will represent distribution on the part of large informed interests. Distribution to whom? To the public, of course.

Question: If we are moving into the last part of the second phase, shouldn't we jump in here with both feet? Isn't this a chance to really wrack up profits during this phase of the bull market?

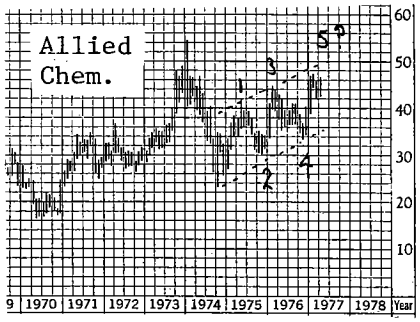
Answer: If I had to guess, I would say that the whole period from early 1976 to the present *corresponds closely to the second phase of the 1949-66 bull market*, and more specifically to the years 1956-57. Older subscribers may remember that the 520 level represented a seemingly impenetrable barrier to the Dow during 1956-57, just as 1000 seems to be an "impossible barrier" today.

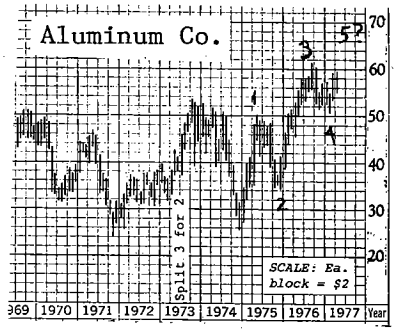
In April of 1956 the Dow touched 521.05. The Dow fell back, then rallied to a July, 1956 peak of 520.95. Again the Dow fell back, only to push ahead to a July, 1957 high of 520.77. That was it; by July of 1957 the Dow was exhausted and it was there that the second phase ended. During the next three months the Dow dropped 20%.

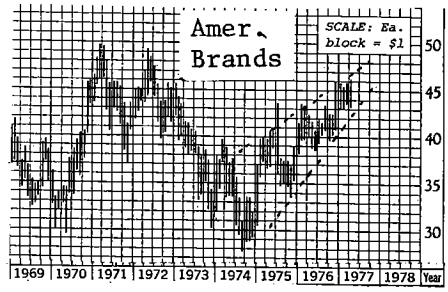
In the present situation the Dow has been rushing back and forth into the 1000 zone ever since April, 1976. It would not surprise me to see the Dow try once more for the general area of 1000, but it is also well to realize that this market is **now very "overbought,"** and that the current rise did not stem from a true sold-out base. Therefore, I feel that the market is over-extending itself on this rise, and I, personally, am not intrigued with the thought of being heavily invested in common stocks at this time.

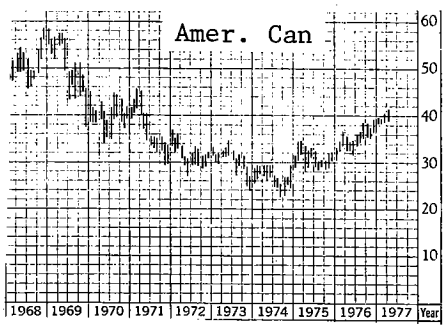
HOW NOW DOW? In the last Letter I re-emphasized my thesis that the D-J Industrial Average is a vitally important "segment" of the market. What the 30 Dow corporate giants do is so important to the economy and to Wall Street that it can be said that the general market will never go very far without the Dow. By the same token, of course, the Dow seldom goes very far without the general market. Ultimately, of course, everything gets in gear, and in view of this I thought it would be interesting to examine the long-term (monthly high-low) charts of all 30 Dow Industrials. I am including the first 15 Dow stocks in this Letter (next Letter will have the last 15). Charts courtesy of *Horsey*, Salisbury, MD 21801.

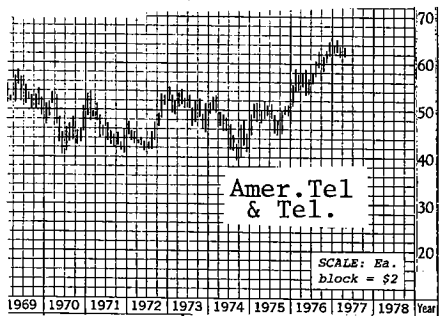
Allied Chem. is still bullish. The chart shows that ACD is in its fifth wave in this bull market. So far ACD has been holding within its rising channel. If ACD can get above 50, it could conceivably "blow off" on the upside.

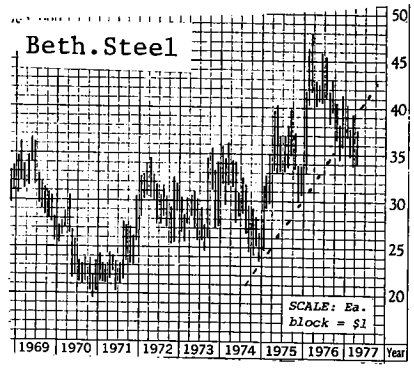

Allied Chem.
1970 1971 1972 1973 1974 1975 1976 1977 1978 Year

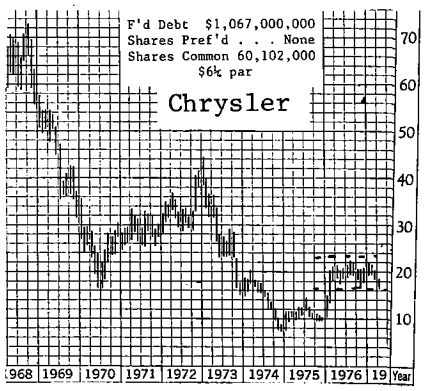

Aluminum Co.
Split 3 for 2
SCALE: Ea. block = $2
1970 1971 1972 1973 1974 1975 1976 1977 Year

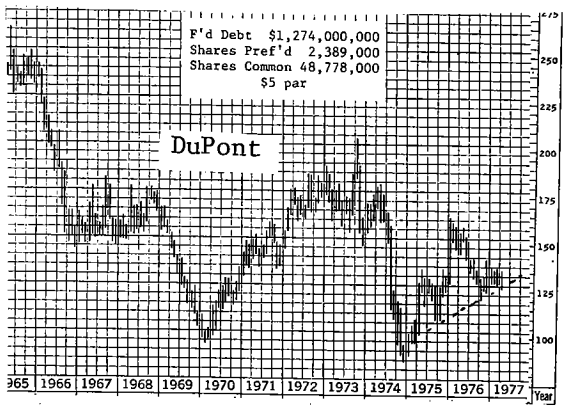

Amer. Brands
SCALE: Ea. block = $1
1969 1970 1971 1972 1973 1974 1975 1976 1977 1978 Year

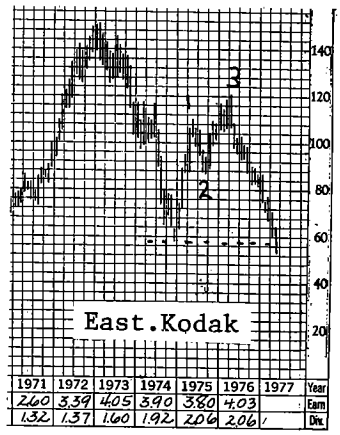

Amer. Can
1968 1969 1970 1971 1972 1973 1974 1975 1976 1977 Year

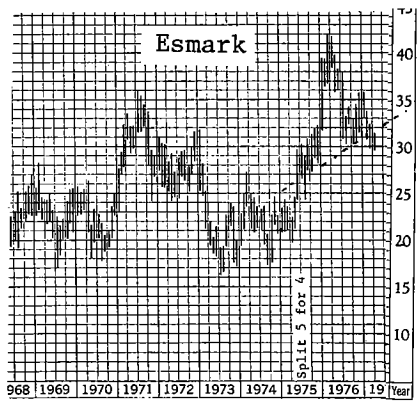

Amer. Tel & Tel.
SCALE: Ea. block = $2
1969 1970 1971 1972 1973 1974 1975 1976 1977 1978 Year

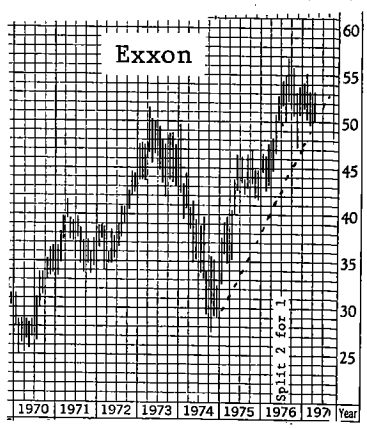

Beth. Steel
SCALE: Ea. block = $1
1969 1970 1971 1972 1973 1974 1975 1976 1977 Year

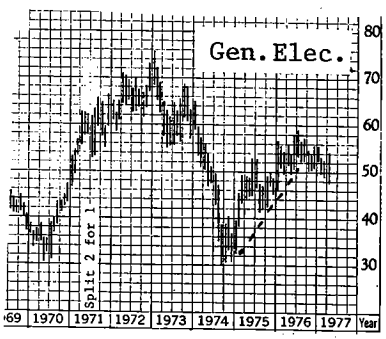

F'd Debt $1,067,000,000
Shares Pref'd . . . None
Shares Common 60,102,000
$6¼ par
Chrysler
1968 1969 1970 1971 1972 1973 1974 1975 1976 19 Year

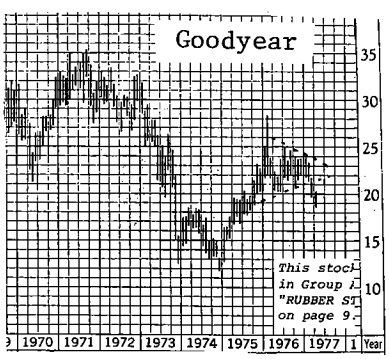

F'd Debt $1,274,000,000
Shares Pref'd 2,389,000
Shares Common 48,778,000
$5 par
DuPont
1965 1966 1967 1968 1969 1970 1971 1972 1973 1974 1975 1976 1977 Year

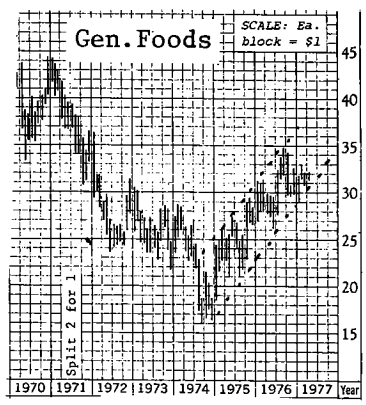

East. Kodak
1971 1972 1973 1974 1975 1976 1977 Year
2.60 3.39 4.05 3.90 3.80 4.03
1.32 1.37 1.60 1.92 2.06 2.06
Earn
Div.

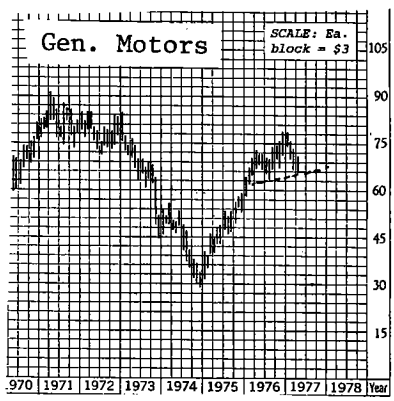

Esmark
Split 5 for 4
1968 1969 1970 1971 1972 1973 1974 1975 1976 19 Year


Exxon
Split 2 for 1
1970 1971 1972 1973 1974 1975 1976 197 Year


Gen. Elec.
Split 2 for 1
1969 1970 1971 1972 1973 1974 1975 1976 1977 Year


Goodyear
This stock in Group I "RUBBER ST on page 9.
1970 1971 1972 1973 1974 1975 1976 1977 1 Year


Gen. Foods
SCALE: Ea. block = $1
Split 2 for 1
1970 1971 1972 1973 1974 1975 1976 1977 Year


Gen. Motors
SCALE: Ea. block = $3
970 1971 1972 1973 1974 1975 1976 1977 1978 Year

Alcoa has completed corrective wave 4 and seems poised to move up into rising wave 5. Above 62 and AA should be off and away. If AA cannot get above 62 then it will have "failed," in which case, there could be trouble here.

Amer. Brands is pushing up into a rising wedge pattern. The stock continues to look strong, but sudden reversals (and important ones) can come out of these deceptive rising wedge patterns.

American Can just keeps pushing higher. AC could be running into resistance at the 1970 levels, but no problems yet.

Amer. Telephone is in its fifth wave up from the 1974 low, and it may need a rest. This stock is heavily influenced by prevailing interest rates.

Beth. Steel could be in real trouble, having spiked up, reversed and recently broken an important trendline. I don't expect a new high here, but BS could run up **under** its rising trendline on general market strength.

Chrysler has been consolidating (or being distributed) for over a year. I don't expect much on the upside out of Chrysler. At present, the stock is just about back to its lows of 7 years ago.

DuPont doesn't look good to me. It rallied up to its 1973 low, then fell back. DD appears "toppy," and it would be in trouble if it broke below 120.

Kodak is a disaster, having fallen below its 1974 bear market low to the lowest point of the decade. No earnings growth in EK for the past five years, so it has lost its growth stock status and is beginning to sell accordingly. Tough competition from Polaroid and the Japanese is coming in, and EK has been reeling.

Esmark is looking a bit toppy, but it did hit a big new high in this bull market. The ensuing decline took ESM well below its 1971 peak, a performance which is not too inspiring.

Exxon is a winner in performance, and it looks as if it could go even higher. There could well be a fifth rising wave from here. The oils could have discounted the worst of the recent rotten energy news. At any rate, Exxon hints at that.

Gen. Electric is looking as if it's groping for a distributive top. But so far no real selling here, and we could get a fifth wave up. I would guess that GE will go very much with the Dow (new high in the Dow, new high in GE).

Goodyear broke down out of a well-defined triangle, and it's now in trouble. I would be surprised if Goodyear was able to make a new high in this bull market.

General Foods is walking up a rising channel, and I can count what seems to be five clear waves. GF would not look good if it broke below 30. If it did that, I would guess that it had topped out.

Next, we have the big one, *General Motors*. Frankly, GM appears to be forming a head-and-shoulders top, but it would need a rally to around 72 or thereabouts to form a right shoulder. Watch GM very carefully from here. If it rallies to 72-73, then turns down, such action could contain a message for the whole market. The message would be bearish. Obviously, a new high at 80 or so would be bullish.

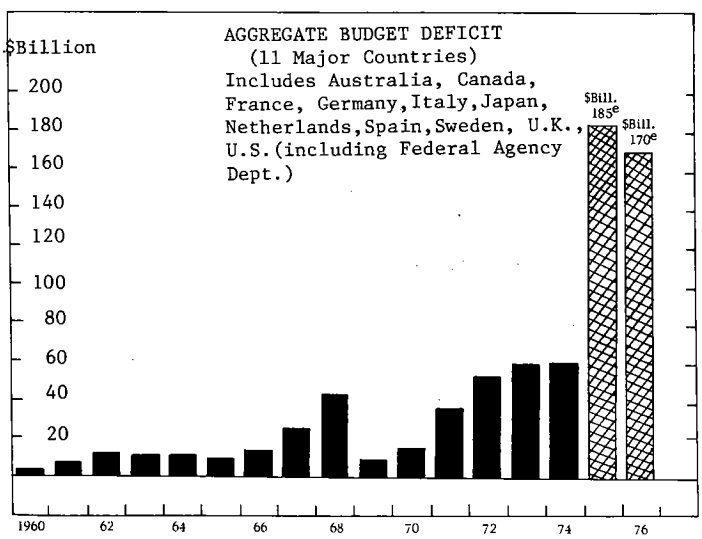
Conclusion: Probable top-outs include Beth. Steel, DuPont, Kodak, Esmark, Goodyear, GM. That's one third of the first 15 Dow stocks. Good bets for new bull market highs ahead include Alcoa, Amer. Brands, Amer. Can, Telephone, Exxon. Those are the most bullish of the 15. The remaining five Dow stocks could go either way.

HEDGING: I'm not going to go into all the ramifications of the world debt build-up. This chart from the latest issue of the *Bank Credit Analyst* (1245 W. Sherbrooke St. West, Montreal, Canada H36 1H2) says it all. The fact is that day after day, month after month, year after year, the world's debt keeps rising. Now it follows as the night follows the day that ultimately there must be a halt to the debt build-up. Nobody knows **when** that halt will come. It could come next month, next year, or in 1984. We just can't pin-point the impending trouble. But we do know that trees don't grow to the sky–nor do debts.

Along these lines, my peripatetic buddy, Harry Schultz, writes, *"Quietly, gold appreciates–without the aid of goldphiles. Abandoned by the inflation hedgers, the yellow metal sneaks up. IMF auctions make no dent in it. Even a US treasury sale would, after an initial shock, have little affect on gold. An unproclaimed gold bull market speaks in the silent language of numbers, saying, 'All is not well elsewhere'. We're in the eye of the hurricane. It will rip and tear markets till the last farthing is paid..."*

Harry knows, as do I, that one day the debt structure will simply topple over. Then, men will grab for the foundation, the "solid structure" under the world debt. That solid substance, the real money, is gold (and perhaps silver to some extent).

I have a New York friend who, in the late-1950's, predicted the whole gold-dollar-inflation story that you and I see today. He was the man who originally got me interested in gold. A few years later I began recommending gold shares. My first recommendation was in the August 10, 1960 Letter, and I believe Dow Theory Letters was the first investment service with any large following to recommend gold shares. During the course of the next 15 years almost everything my Gotham friend had predicted came true. Gold took off, inflation boomed, the value of the dollar eroded away.



But this same gentleman predicted something else. He told me that in the "final monetary-economic collapse," a huge deflation would sweep across the US. "In that great deflationary smash," he told me, "gold will collapse in price, and the dollar will be absolute King. It will happen," he explained, "because everyone–businesses, people, institutions–will need dollars to stay solvent, to stay in business. So they will dump gold, silver, commodities, everything they have in an effort to keep going."

I have never forgotten this frightening scenerio. Personally, I do not know if this is the "right" scenerio, but it's certainly a different one. And it's certainly a possibility.

Alright, what's my point in going into all this? My point is that from what I see, I would say that increasingly the average investor is now thinking in terms of **hanging on** to what he has, of simply trying to retain his purchasing power. Frankly, in today's world of high taxes, stretched out capital gains, unstable political conditions, Government interference, confiscatory tax laws, I don't hear many people talking about "making big money in the stock market"–or any place else for that matter. I do hear people talking about trying to make some profits, "moderate or reasonable" profits, but most of all I hear people talking about "hanging on to what they have."

This whole situation dawned on me anew when I saw a movie last night entitled "Ledbelly." The film was about a great black folk singer, and the particular scene was in a prison. Ledbetter was hated by the guards and he was in the sweat box. Another black, an old veteran, was giving him some words of wisdom. "Listen," he whispered, "When they's tryin' to kill you, jus' stayin' alive is winning!" Those words hit me like a punch in the gut. "Gad," I thought, "It sounds exactly like the investment world today."

The fact is that the investor today has a tremendous problem. He is a survivor in a system which is taxing one group (the people who have or can make money) in order to give another huge segment of the population what they want. And what they want is "a free lunch." In return, the free lunchers provide the politicians and law-makers with what they want–votes.

No thinking man believes that all this can end happily or quietly. Thinking men know that their real problem is how best to protect themselves against the inevitable, the toppling of the debt structure and perhaps the system which produced that debt structure. And I want to go into that a bit now.

I've given this whole problem a great deal of thought. I've talked to many people about the difficulties of surviving in a system in which your assets and earning power can be voted or legislated away. And my final conclusion is that the only answer worth anything from the survivor's standpoint is **diversification.** Now obviously, everyone has limits regarding how far they can diversify, so I am not going into all the possible kinds of diversification vehicles such as foreign land holdings, oil leases, Swiss bank accounts, owning your own business, partnerships in a gold mine, etc. The variations are almost endless.

The average investor is not ready for these complex diversification programs, and he would probably lose his money attempting to get into too many of them. But there are a few basic concepts which should be studied.

(1) I believe gold should be held in the form of modern coins. The coin I like best is the *Krugerrand,* which contains 1 ounce of .999F gold. You pay a premium of about 3.7% over gold content for the Krugerrand, which now sells for around $157.

(2) Silver may be an interesting holding. I am indebted to *Harry Browne* (Box 5586, Austin, TX 78763) for the concept of buying silver via the Kennedy half dollars. A Kennedy half (1965-70) contains .147 ounces of silver. That means that with silver at $4.75, a Kennedy half contains about 70 cents worth of silver. The premium when you buy a bag of Kennedy halves is about 40% or slightly more over actual silver content. This is an interesting hedge because your downside is **limited** to the face value of the coins, or 50 cents. Disadvantage is bulk. You are dealing with huge bulk when you buy say 10 bags of half dollars. But for "putting away" $5000 worth or so, this is a valid hedge.

(3) Postage stamps as discussed in the last Letter.

(4) Your own home (preferably not a condominium) if this is possible.

(5) Your own business, if this is feasible.

(6) High grade corporate bonds and US Government bonds (or bond funds), as part of a diversification program.

(7) "Fat asset" (high book value) stocks with a long record of dividend payments. These might ultimately be considered a "store of value" if inflation sky-rockets in the period ahead.

Question: Where would you keep gold or stamps or other items of value?
Answer: In a bank vault.

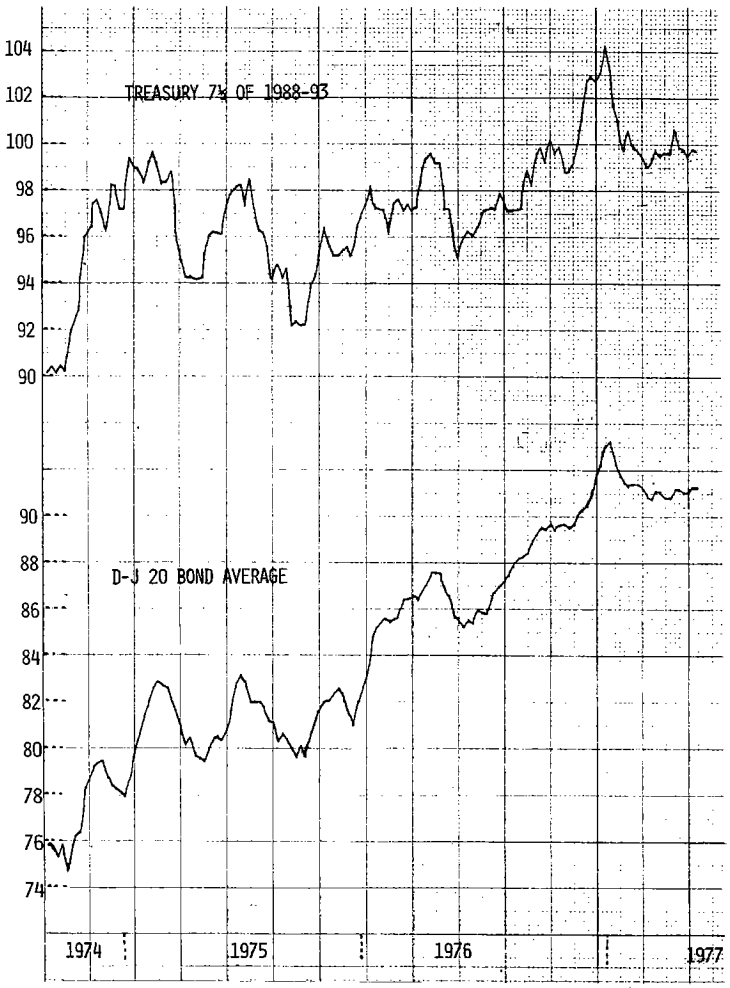
INTEREST RATES-BONDS: I have been advocating good-sized positions in bonds and interest-sensitive vehicles for over a year-and-a-half. So far, bond buyers have collected fat yields as well as paper profits on their purchases. In the face of almost universal predictions of "wild inflation and booming interest rates ahead" the fact is that the bond market has given a remarkably good account of itself.

True, short term interest rates have crept up a bit of late, but on the whole the bond market is, and has been strong. I include my chart of the Treasury 7½ of 1988-93, a typical longer-term bond along with the widely-watched D-J 20 Bond Average. I have drawn modified trendlines connecting significant lows, and in each case the trend is unquestionably bullish.

Furthermore, with commodities surprisingly weak of late and with gold unable to hold above 150, the inflation thesis becomes more of a question than the sure thing that everyone would have us believe. At any rate, my policy is to question the consensus opinion that rampant inflation lies just over the horizon. Maybe it does, but if so, the bond market, the commodity market and the gold market have not flashed the red signal yet.

NO LOAD BOND FUNDS: I have written a good deal about closed-end bond funds (listed on the NYSE) and about no-load municipal bond funds. But I have not mentioned the no-load bond funds, many of which are very suitable for subscribers who can use straight income (taxable). There are a few interesting funds in this category that I want to mention.

These open-end bond funds (no load) buy and sell their own shares, and there is no commission or cost involved in buying or selling. Purchases and sales are through the funds' own office, so I include addresses.



Northeast Investors Trust is an excellent bond fund currently yielding 8.5%, the highest yield in the group. The fund is near $150 million in size and is invested 90% in corporate bonds. Half the bonds here are rated A or better, 36% are BBB. Address is 50 Congress St., Boston, MA 02109. Minimum investment is $500.

Rowe Price New Income Fund is a $200 million fund, holding upper-medium grade bonds, mostly longer term. The fund yields a satisfactory 7.9%. 100 E. Pratt St., Baltimore, MD 21201. Minimum investment $1,000.

Babson Income Fund is a very conservative fund, almost 60% invested in US Governments. The fund is small (around $30 million), but growing. For those who want tops in safety, this is a good choice, but the yield here is only 7.1%. Three Crown Center, 2440 Pershing Rd., Kansas City, MO 64108. Minimum investment $500. (Note: Dow Theory Letters has an investment in both Northeast and Rowe).

LATE NOTES: On May 18 my Primary Trend Index (PTI) rose to a new high for the bull market, while the Advance-Decline Ratio pushed to within half a point of its January 3 bull market high. In the face of this "hopeful" action, the D-J Industrial Average halted its feeble rally at 941.91. Thus the latest Dow rally stopped two points below the May 5 peak of 943.44. (see page 1 chart).

In this action, the Dow continued to do what it has been doing for the past eight months, namely ***refusing to better a single preceding peak.*** This remarkably persistent show of weakness simply cannot be ignored–nor have I been trying to ignore it. Seventy-five years of history tells us that when the Averages refuse to "travel on parallel tracks," then something is wrong with the train. Just what is wrong with the stock market train is a matter for academic speculation, but I do know this. The kind of action we have been seeing recently justifies my current advice and warnings to subscribers. I believe that we should be very light in common stocks, light or on the sidelines.

I see that many of the advisories are now talking about "the real market" (meaning the various broad, composite averages) as opposed to the Dow. Their claim is that the Dow is in a deceptive, solo slump while "the real market" has been holding well. This may be true, but I submit that the Dow Industrial Average is an **outstanding barometer of large investor sentiment,** and that the market will only withstand Dow deterioration for so long. Personally, I think that it is long-term (in a primary sense) constructive that much of the market is holding here, I think it is long-term constructive that P/E ratios are low and that yields on stocks are becoming more attractive, but that's not going to prevent a 1957 or 1962 type slide if the market wants it that way. If you think it will–forget it.

My 4-week moving average of the Dow is now at 933, below the 13-week MA of the Dow which is at 937, and both are bearishly below the 50-week MA which is at 963. In other words, all three MA's are declining, and the Dow itself is now below even its shortest-term MA. Thus, this important study (see last Letter) remains bearish.

FURTHER COMMENTS: I mentioned the possibility of a business recession in the last Letter, a recession that could strike towards the third or fourth quarter of this year. Along those lines, it is most interesting to note that a broad spectrum of commodities have now turned bearish, and the list includes cotton, copper, sugar, cattle, lumber, wheat, corn, and probably silver (I would count silver decisively bearish if it closes around $4.25). At any rate, sliding commodities hardly suggest a consumer or capital spending boom ahead, and I don't care what the experts say.

This week's *Barron's* (May 23) contains an outstanding article by a brilliant young analyst named Ned Davis. This lead-off article is "must" reading for my subscribers. Davis is one of those rare market analysts who thinks, observes, and has a grasp of history. Furthermore, he presents reasoned probabilities and is not influenced by crowd-think. *Barron's* has done the reading public a favor again.

One of the things upsetting this market is the sudden slide in IBM. This mighty stock has a 6.3% weighting in the Standard & Poor 500 stock average! The break in IBM has taken it back to its price of January, 1975. The top leadership in the market is probably composed of IBM and GM. Both are now ragged, and it's making seasoned investors wonder.

The biggest drawback in publishing an advisory letter is that I never get a real, actual, true vacation. So I've created what I term a "working-honeymoon" (patent pending). It will be next month's trip to Bermuda (June 16-19), at which time I will speak before the ***National Committee for Monetary Reform.*** I am informed that the conference is almost sold out, but if you are interested, call Jim Blanchard at (504) 865-9919. Speaking there also will be Harry Schultz, Jim Sinclair, Alden Wells, Dr. Henry Hazlitt, Ira Cobleigh, and many more.

THANKS AND APOLOGIES: Many thanks for all the letters and cards coming in regarding my recent marriage. Also (again) thank you for your letters regarding the stock market. I cannot possibly answer all the letters, but I appreciate them and I most definitely read each one carefully.

In answer to many questions: (1) I did not have to register my new bride with the Securities & Exchange Commission, (2) Being married will not distort my view of the market, (3) No, I have not lost my mind. If writing about the stock market for 19 years has not scrambled my brains, nothing will. (Apologies for this small print).

NEXT MAILING: June 3